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CITY OF JEANERETTE, LOUISIANA

Financial Report

For the Year Ended June 30, 2004

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Release Date 12-15-04

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INDEPENDENT AUDITOR'S REPORT

* A Professional Accounting Corporation

The Honorable Arthur L. Verret, Mayor,
and Members of the Board of Aldermen
City of Jeanerette, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Jeanerette, Louisiana, as of and for the year ended June 30, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Jeanerette, Louisiana, as of June 30, 2004, and the respective changes in financial position and cash flows where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated August 20, 2004 on our consideration of the City of Jeanerette, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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The required supplementary information on pages 45 and 46 is not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The City of Jeanerette, Louisiana has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Jeanerette, Louisiana's basic financial statements. The other supplementary information on pages 48 through 56 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
August 20, 2004

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

CITY OF JEANERETTE, LOUISIANA

Statement of Net Assets

June 30, 2004

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 401,657	\$ 182,350	\$ 584,007
Investments	893,189	729,748	1,622,937
Receivables, net	42,667	77,513	120,180
Due from other governmental units	140,356	-	140,356
Due from (to) other funds	6,080	(6,080)	-
Inventory	8,437	4,643	13,080
Total current assets	<u>1,492,386</u>	<u>988,174</u>	<u>2,480,560</u>
Noncurrent assets:			
Restricted assets	465,289	158,832	624,121
Capital assets, net	6,482,000	6,028,644	12,510,644
Total noncurrent assets	<u>6,947,289</u>	<u>6,187,476</u>	<u>13,134,765</u>
Total assets	<u>8,439,675</u>	<u>7,175,650</u>	<u>15,615,325</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	77,085	68,350	145,435
Deferred revenue	20,412	-	20,412
Bonds Payable	125,000	-	125,000
Total current liabilities	<u>222,497</u>	<u>68,350</u>	<u>290,847</u>
Noncurrent liabilities:			
Accrued liabilities	12,025	2,698	14,723
Customers' deposits payable	-	103,502	103,502
Bonds Payable	1,050,000	-	1,050,000
Total noncurrent liabilities	<u>1,062,025</u>	<u>106,200</u>	<u>1,168,225</u>
Total liabilities	<u>1,284,522</u>	<u>174,550</u>	<u>1,459,072</u>
NET ASSETS			
Invested in capital assets, net of related debt	5,284,372	6,028,644	11,313,016
Restricted for:			
Debt service	590,289	-	590,289
Other purposes	219,291	-	219,291
Unrestricted	1,061,202	972,456	2,033,658
Total net assets	<u>\$ 7,155,154</u>	<u>\$ 7,001,100</u>	<u>\$ 14,156,254</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF JEANERETTE, LOUISIANA

Statement of Activities
For the Year Ended June 30, 2004

	Program Revenues			Net (Expense) Revenues and Changes in Net Assets		Total
	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental activities:	Expenses					
General government	\$ 7,839,812	\$ 394,970	\$ 213,477	\$ 1,755,937	\$ -	\$ 1,755,937
Public safety:						
Police	377,359	20,906	55,053	(294,127)	-	(294,127)
Fire	84,600	-	38,453	(8,430)	-	(8,430)
Streets	560,589	-	83,230	(477,359)	-	(477,359)
Interest on long-term debt	85,089	-	-	(85,089)	-	(85,089)
Total governmental activities	8,947,449	415,876	390,213	890,932	-	890,932
Business-type activities:						
Garbage, water, and sewer	1,038,889	1,185,801	-	-	733,414	733,414
Total	\$ 9,986,338	\$ 1,601,677	\$ 390,213	890,932	733,414	1,624,346
General revenues:						
Taxes -						
Property taxes				371,092	-	371,092
Sales and use taxes				619,956	-	619,956
Grants and contributions not restricted to specific programs -						
State sources				8,165	-	8,165
Federal sources (FEMA)				-	-	-
Interest and investment earnings				16,627	7,227	23,854
Miscellaneous				242,784	-	242,784
Transfers				166,751	(166,751)	-
Total general revenues and transfers				1,425,375	(159,524)	1,265,851
Change in net assets				2,316,307	573,890	2,890,197
Net assets - July 1, 2002, as restated				4,838,847	6,427,210	11,266,057
Net assets - June 30, 2003				\$ 7,155,154	\$ 7,001,100	\$ 14,156,254

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUNDS' DESCRIPTIONS

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

SPECIAL REVENUE FUND

Section 8 Housing Fund

To account for the receipt and use of grants received from the U.S. Department of Housing and Urban Development for rental assistance to low income renters in the City.

CITY OF JEANERETTE, LOUISIANA

Balance Sheet
Governmental Funds
June 30, 2004

ASSETS	General	Section 8 Housing	Other Governmental Funds	Total Governmental Funds
Cash	\$ 49,071	-	\$ 44,495	\$ 93,566
Interest-bearing deposits	-	21,352	298,489	319,841
Investments	893,189	-	453,539	1,346,728
Receivables:				
Accounts	42,667	-	-	42,667
Due from other funds	-	-	9,536	9,536
Due from other governmental units	29,596	-	110,760	140,356
Inventory	8,437	-	-	8,437
Total assets	<u>\$ 1,022,960</u>	<u>\$ 21,352</u>	<u>\$ 916,819</u>	<u>\$ 1,961,131</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 20,422	\$ 940	-	\$ 21,362
Accrued liabilities	32,084	-	1,010	33,094
Due to other funds	3,456	-	-	3,456
Deferred revenue	-	20,412	-	20,412
Total liabilities	<u>55,962</u>	<u>21,352</u>	<u>1,010</u>	<u>78,324</u>
Fund balances:				
Reserved for debt service	-	-	590,289	590,289
Reserved for capital improvements	-	-	72,260	72,260
Unreserved, reported in				
General fund	966,998	-	-	966,998
Special revenue funds	-	-	253,260	253,260
Total fund balances	<u>966,998</u>	<u>-</u>	<u>915,809</u>	<u>1,882,807</u>
Total liabilities and fund balances	<u>\$ 1,022,960</u>	<u>\$ 21,352</u>	<u>\$ 916,819</u>	<u>\$ 1,961,131</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF JEANERETTE, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2004

Total fund balances for governmental funds at June 30, 2004 \$ 1,882,807

Total net assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Land	\$ 182,957	
Buildings, net of \$8,509,812 accumulated depreciation	2,893,026	
Improvements, net of \$1,476,181 accumulated depreciation	3,108,201	
Equipment, furniture, and fixtures net of \$738,363 accumulated depreciation	<u>297,816</u>	6,482,000

Long-term liabilities, including bonds payable not due and payable in the current period and therefore are not reported as liabilities in the funds:

Bonds payable	(1,175,000)	
Accrued interest payable	(22,628)	
Compensated absences	<u>(12,025)</u>	<u>(1,209,653)</u>

Total net assets of governmental activities at June 30, 2004 \$ 7,155,154

The accompanying notes are an integral part of the basic financial statements.

CITY OF JEANERETTE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For the Year Ended June 30, 2004

	General	Section 8 Housing	Other Governmental Funds	Total
Revenues:				
Taxes	\$ 364,610	\$ -	\$ 845,518	\$ 1,210,128
Licenses and permits	175,890	-	-	175,890
Intergovernmental	250,453	136,695	475,557	862,705
Fines and forfeits	18,564	-	-	18,564
Miscellaneous	8,822,667	124	6,927	8,829,718
Total revenues	<u>9,632,184</u>	<u>136,819</u>	<u>1,328,002</u>	<u>11,097,005</u>
Expenditures:				
Current -				
General government	635,062	136,819	78,138	850,019
Public safety:				
Police	432,415	-	-	432,415
Fire	35,424	-	-	35,424
Highways and streets	385,146	-	-	385,146
Capital outlay	8,614,820	-	416,991	9,031,811
Debt service -				
Principal retirement	-	-	780,000	780,000
Interest and fiscal charges	-	-	83,188	83,188
Total expenditures	<u>10,102,867</u>	<u>136,819</u>	<u>1,358,317</u>	<u>11,598,003</u>
Excess (Deficiency) of revenues over expenditures	<u>(470,683)</u>	<u>-</u>	<u>(30,315)</u>	<u>(500,998)</u>
Other financing sources (uses):				
Bond proceeds	-	-	470,000	470,000
Transfers in	594,000	-	155,469	749,469
Transfers out	(47,953)	-	(534,765)	(582,718)
Total other financing sources (uses)	<u>546,047</u>	<u>-</u>	<u>90,704</u>	<u>636,751</u>
Net changes in fund balances	75,364	-	60,389	135,753
Fund balances, beginning	891,634	-	855,420	1,747,054
Fund balances, ending	<u>\$ 966,998</u>	<u>\$ -</u>	<u>\$ 915,809</u>	<u>\$ 1,882,807</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF JEANERETTE, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2004

Total net changes in fund balances at June 30, 2004 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 135,753
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The change in net assets reported for governmental activities in the
statement of activities is different because:

Governmental funds report capital outlays as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 8,682,586	
Depreciation expense for the year ended June 30, 2004	<u>(6,807,268)</u>	1,875,318

The net effect of various miscellaneous transactions involving capital
assets (i.e., sales, trade-ins, and donations) is to increase/(decrease) net
assets

(1,722)

Governmental funds report bonded debt repayments, including interest, as
expenditures. However, principal repayments do not appear in the statement
of activities since the payment is applied against the bond payable balance
on the statement of net assets

780,000

Governmental funds report bond proceeds as an income. However, the
proceeds do not appear in the statement of activities since the debt is
recorded as a bond payable on the statement of net assets

(470,000)

Some expenses reported in the statement of activities, such as compensated
absences and accrued interest expense, do not require the use of current
financial resources and are not reported as expenditures in governmental funds

(3,042)

Total changes in net assets at June 30, 2004 per Statement of Activities	<u>\$2,316,307</u>
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The accompanying notes are an integral part of the basic financial statements.

CITY OF JEANERETTE, LOUISIANA

Statement of Net Assets
 Proprietary Fund
 June 30, 2004

	<u>Enterprise Fund</u>
ASSETS	
Current assets:	
Cash and Interest-bearing deposits	\$ 182,350
Investments	729,748
Receivables, net	77,513
Due from other funds	3,456
Inventory	<u>4,643</u>
Total current assets	<u>997,710</u>
Noncurrent assets:	
Restricted assets -	
Cash and Interest-bearing deposits	72,915
Investments	85,917
Capital assets, net of accumulated depreciation	<u>6,028,644</u>
Total noncurrent assets	<u>6,187,476</u>
Total assets	<u>7,185,186</u>
LIABILITIES	
Current liabilities:	
Accounts payable	20,792
Accrued liabilities	47,558
Due to other funds	<u>9,536</u>
Total current liabilities	<u>77,886</u>
Noncurrent liabilities:	
Accrued liabilities	2,698
Payable from restricted assets -	
Customers' deposits payable	<u>103,502</u>
Total noncurrent liabilities	<u>106,200</u>
Total liabilities	<u>184,086</u>
NET ASSETS	
Invested in capital assets, net of related debt	6,028,644
Unrestricted	<u>972,456</u>
Total net assets	<u>\$ 7,001,100</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF JEANERETTE, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Assets
 Proprietary Fund
 For the Year Ended June 30, 2004

	<u>Enterprise Fund</u>
Operating revenues:	
Charges for services -	
Water sales	\$ 549,784
Sewer service charges	349,797
Garbage revenue	226,468
Connections, installations, etc.	13,961
Penalties	33,134
Miscellaneous	<u>12,657</u>
Total operating revenues	<u>1,185,801</u>
Operating expenses:	
Chemicals	52,595
Consulting and testing fees	18,399
Water Certification fees	25,706
Depreciation expense	272,623
Equipment rental	865
Garbage service contract	173,229
Insurance	47,491
Miscellaneous	4,974
Office expense	17,630
Payroll taxes	3,376
Salaries and benefits	189,232
Supplies and repairs	98,305
Utilities and telephone	<u>134,464</u>
Total operating expenses	<u>1,038,889</u>
Operating income	<u>146,912</u>

(continued)

CITY OF JEANERETTE, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Fund (continued)
For the Year Ended June 30, 2004

	<u>Enterprise Fund</u>
Nonoperating revenues (expenses):	
Interest income	<u>7,227</u>
Total nonoperating revenues (expenses)	<u>7,227</u>
Income before contributions and transfers	154,139
Capital contributions	586,502
Transfers in	165,000
Transfers out	<u>(331,751)</u>
Change in net assets	573,890
Net assets, beginning	<u>6,427,210</u>
Net assets, ending	<u>\$ 7,001,100</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF JEANERETTE, LOUISIANA

Statement of Cash Flows
 Proprietary Fund
 For the Year Ended June 30, 2004

	<u>Enterprise Fund</u>
Cash flows from operating activities:	
Receipts from customers	\$ 1,183,391
Payments to suppliers	(533,564)
Payments to employees	(237,001)
Other receipts	<u>3,232</u>
Net cash provided by operating activities	<u>416,058</u>
Cash flows from noncapital financing activities:	
Payments from other funds	174,536
Payments to other funds	<u>(335,207)</u>
Net cash used by noncapital financing activities	<u>(160,671)</u>
Cash flows from capital and related financing activities:	
Acquisition of property, plant and equipment	<u>(22,740)</u>
Net cash used by capital and related financing activities	<u>(22,740)</u>
Cash flows from investing activities:	
Purchase of investments and interest-bearing deposits	(162,103)
Interest on investments	<u>7,227</u>
Net cash used by investing activities	<u>(154,876)</u>
Net increase (decrease) in cash and cash equivalents	77,771
Cash and cash equivalents, beginning of period	<u>177,494</u>
Cash and cash equivalents, end of period	<u>\$ 255,265</u>

(continued)

CITY OF JEANERETTE, LOUISIANA

Statement of Cash Flows
 Proprietary Fund (continued)
 For the Year Ended June 30, 2004

	<u>Enterprise Fund</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating income	\$ 146,912
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	272,623
Changes in current assets and liabilities:	
(Increase) decrease in accounts receivable	(2,410)
(Increase) decrease in inventory	4,294
Increase (decrease) in accounts payable	(11,691)
Increase (decrease) in accrued liabilities	<u>6,330</u>
Net cash provided by operating activities	<u>\$ 416,058</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:	
Cash and cash equivalents, beginning of period -	
Cash - unrestricted	\$ 73,973
Cash - restricted	<u>103,521</u>
Total cash and cash equivalents	<u>177,494</u>
Cash and cash equivalents, end of period -	
Cash - unrestricted	\$ 182,350
Cash - restricted	<u>72,915</u>
Total cash and cash equivalents	<u>255,265</u>
Net increase (decrease)	<u>\$ 77,771</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF JEANERETTE, LOUISIANA

Statement of Fiduciary Net Assets
June 30, 2004

	<u>Agency Funds</u>
ASSETS	
Cash	<u>77,967</u>
Total assets	<u>\$ 77,967</u>
LIABILITIES	
Liabilities:	
Accounts payable	\$ 43,912
Accrued liabilities	<u>34,055</u>
Total liabilities	<u>\$ 77,967</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the City of Jeanerette (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:517 and to the guides set for in the Louisiana Municipal Audit and Accounting Guide and to the industry audit guide, Audits of State and Local Governmental Units. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

Governmental Accounting Standards Board Statement 14 established criteria for determining which component units should be considered part of the City of Jeanerette, Louisiana for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. the ability of the City to impose its will on that organization and/or
 - b. the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.
2. Organizations for which the City does not appoint a voting majority, but are fiscally dependent on the City.
3. Organizations for which the reporting entity financial statements would be misleading if the data of the organization is not included because of the nature of significance of the relationship.

Based upon the application of the above criteria, the following is a brief review of each potential component unit addressed in defining the City's reporting entity:

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (continued)

The following organizations are related organizations which have not been included in the reporting entity:

Jeanerette Volunteer Fire Department -

The Jeanerette Volunteer Fire Department is governed by a group of volunteer citizens. The Jeanerette Volunteer Fire Department is not fiscally dependent on the City of Jeanerette; however, the City of Jeanerette includes revenues received and expenditures paid for the Fire Department as part of its general fund.

Jeanerette City Court -

The Jeanerette City Court is administered by an independently elected official. Although the city does provide facilities and some of its financing, no control is exercised over its operations.

Bicentennial Park and Museum Board -

The Mayor and Board of Alderman are responsible for appointing the members of the Board, but the City's accountability for this organization does not extend beyond making these appointments.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (continued)

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the City are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds of the City are described below:

Governmental Funds -

General Fund

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (continued)

Special Revenue Funds

Section 8 Housing Fund -

The Section 8 Housing Fund is used to account for the receipt and use of grant proceeds from the United States Department of Housing and Urban Development for rental assistance to low income renters in the City.

Proprietary Fund -

Enterprise Fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City of Jeanerette's enterprise fund is the Utility Fund.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net assets and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (continued)

- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when *earned and expenses are recorded when the liability is incurred or economic asset used*. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

D. Assets, Liabilities and Equity

Cash, interest-bearing deposits, and investments

For purposes of the statement of net assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the City.

Under state law, the City may invest in United States bonds, treasury notes, or certificates. Investments are stated at amortized cost.

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (continued)

For the purpose of the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables."

Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible utility service receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance for uncollectibles for customers' utility receivables was \$138,188 at June 30, 2004. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide or financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The City maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to July 1, 2001, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (continued)

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Equipment	5-7 years
Utility system and improvements	25 years
Infrastructure	20-50 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Restricted Assets

Restricted assets include cash and interest-bearing deposits that are legally restricted as to their use. The restricted assets are related to the revenue bond accounts and utility meter deposits.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of compensated absences payable, bonds payable and utility meter deposits payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (continued)

Compensated Absences

Vacation and sick leave are recorded as expenditures of the period in which paid. Vacation credits earned by employees range from 4 hours per month to 14 hours per month depending upon length of service. Two-thirds (2/3) of vacation credits earned during an employment year must be taken that year. Only one-third (1/3) of accumulated vacation time may be carried over to the following year. Employees may accumulate a maximum of 120 sick days, and any sick leave credit due an employee whose service with the City is terminated by reason of resignation or discharge is canceled.

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (continued)

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by *function for both governmental and business-type activities.*

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character
Proprietary Fund - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as *interfund transfers*. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

F. Revenue Restrictions

The City has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales tax	See Note 3
Ad Valorem tax	See Note 10

The City uses unrestricted resources only when restricted resources are fully depleted.

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (continued)

G. Budget and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Mayor, Finance Chairman, and Secretary-Treasurer prepare a proposed budget and submit it to the Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen.
8. Budgetary control is exercised at the fund level.

H. Capitalization of Interest Expense

It is the policy of the City of Jeanerette to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets. At June 30, 2004, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books.

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (continued)

I. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

E. Inventories

Inventories are stated at the lower of cost or market, with cost determined by the first-in first-out, (FIFO) method.

(2) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the City in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The City bills and collects its own property taxes using the assessed values determined by the tax assessor of Iberia Parish.

For the year ended June 30, 2004, taxes of 22.09 mills were levied on property with assessed valuations totaling \$16,671,255 and were dedicated as follows:

General corporate purposes	8.74 mills
Debt service:	
Water system improvements	7.85 mills
General obligation bonds	5.50 mills

Total taxes levied for the year ended June 30, 2004 were \$368,268.

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (continued)

(3) Sales and Use Tax

- A. Proceeds of a 1% sales and use tax levied by the City of Jeanerette (2004 collections, \$403,250; 2003 \$398,465; 2002, \$364,071;) are dedicated to the following purposes:

Constructing, acquiring, extending, improving, operating and/or maintaining drainage facilities, street lighting facilities, sidewalks, sewers and sewerage disposal works, recreational facilities, public buildings and/or fire department stations and equipment, including fire engines; purchasing and acquiring equipment and furnishings for the aforesaid public works, buildings, improvements and facilities; and maintaining and operating the municipal police department and garbage collection and disposal facilities, including the purchase of equipment therefore, title to which improvements shall be in the public name; or for any one or more of said purposes; and such tax to be subject to findings funding into bonds by the City into the manner authorized by Louisiana Revised Statutes of 1950.

A portion of the proceeds of the sales tax collections, after the payment of all reasonable and necessary costs and expenses of collecting and administering the tax, is dedicated to the retirement of 1999 certificate of indebtedness dated July 22, 1999. These monies are required to be transferred monthly to a debt retirement fund in accordance with the schedule of payments in the bond agreement.

B. Sales and Use Tax (1973)

Proceeds of a sales and uses tax levied by the City of Jeanerette beginning in 1973 (2004 collections, \$93,123; 2003 \$100,088; 2002, \$91,018;) are dedicated to the following purposes:

Constructing, acquiring, extending, improving, operating and/or maintaining sewers and sewerage disposal works and waterworks facilities, and purchasing and acquiring the necessary land, equipment and furnishings for the aforesaid public works, improvements and facilities.

C. Sales and Use Tax (1985)

Proceeds of a 1/4% sales and use tax levied by the City of Jeanerette (2004 collections, \$93,123; 2003, \$100,088; 2002, \$91,018;) beginning in April 1985 are dedicated to and may be used for any lawful corporate purpose.

D. Sales and Use Tax (2004)

Proceeds of a 1/4% sales and use tax levied by the City of Jeanerette (2004 collections, \$20,460) beginning in April 2004 are dedicated to and may be used for any lawful corporate purpose.

CITY OF JEANERETTE, LOUISIANA
Notes to Financial Statements (continued)

(4) Cash, Interest-Bearing Deposits and Investments

A. Cash and Interest-bearing Deposits

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2004, the City had cash and interest-bearing deposits (book balances) totaling \$746,639 as follows:

Demand deposits	\$ 353,883
Time deposits	<u>392,756</u>
Total	<u>\$ 746,639</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2004 were secured as follows:

Bank balances	<u>\$ 755,973</u>
Federal deposit insurance	\$ 299,618
Pledged securities (Category 3)	<u>456,355</u>
Total FDIC insurance and pledged securities	<u>\$ 755,973</u>

Pledged securities in Category 3 include uninsured or unregistered investments, for which securities are held by the broker or dealer, or by its trust department or agent, but not in the City's name. Even though the pledged securities are considered uncollateralized (Category 3), Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent has failed to pay deposited funds upon demand.

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (continued)

B. Investments

The City can invest in direct debt securities of the United States unless such an investment is expressly prohibited by law. The City's investments are categorized to give an indication of the level of risk assumed by it at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments with securities held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments with securities held by the counterparty, or by its trust department or agent, but not in the City's name.

In accordance with GASB Codification Section I50.165, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section I50.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc.; a non-profit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and statewide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments.

The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U. S. Treasury, the U. S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For purposes of determining participants' shares, investments are valued at amortized cost. GASB Statement No. 31 requires that investments, that fall within the definitions of said statement, be recorded at fair value. However, Statement No. 31 also states that investments in an external investment pool can be reported at amortized cost if the external investment pool operates in a manner consistent with the Security Exchange Commission's (SEC's) Rule 2a7. LAMP is an external investment pool that operates in a manner consistent with SEC Rule 2a7.

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (continued)

At June 30, 2004, the City's investments totaled \$2,162,393 as follows:

<u>Description</u>	<u>Category</u>	<u>Interest Rate</u>	<u>Carrying Amount/ Amortized Cost</u>	<u>Approximate Fair Value</u>
Governmental Activities:				
Louisiana Asset Management Pool (LAMP)	N/A	1.230%	\$ 1,346,728	\$ 1,346,728
Business-Type Activities:				
Louisiana Asset Management Pool (LAMP)	N/A	1.230%	815,665	815,665
			<u>\$ 2,162,393</u>	<u>\$ 2,162,393</u>

(5) Receivables

Receivables at June 30, 2004 of \$120,180 consist of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts	\$ -	\$ 75,637	\$ 75,637
Franchise fees	42,667	-	42,667
Miscellaneous	-	1,876	1,876
Totals	<u>\$ 42,667</u>	<u>\$ 77,513</u>	<u>\$ 120,180</u>

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (continued)

(6) Due from Other Governmental Units

Amounts due from other governmental units at June 30, 2004 consisted of the following:

General Fund:		
Amount due from:		
State of Louisiana Departement of Transportation	\$ 2,556	
Iberia Parish Government	19,889	
City Court of Jeanerette	<u>7,151</u>	
Total General Fund		29,596
Special Revenue Fund:		
Amount due from:		
Iberia Parish School Board		79,022
Capital Project Fund:		
Amount due from:		
State of Louisiana (LCDBG)		<u>31,738</u>
Total due from other governmental units		<u>140,356</u>

(7) Restricted Assets

Restricted assets consisted of the following at June 30, 2004:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Cash and interest bearing deposits	\$ 11,750	\$ 72,915
Investments	<u>453,539</u>	<u>85,917</u>
Total	<u>\$ 465,289</u>	<u>\$ 158,832</u>

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (continued)

(8) Capital Assets

Capital asset activity for the year ended June 30, 2004 was as follows:

	<u>Balance 07/01/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/04</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ -	\$ 182,957		\$ 182,957
Construction in progress	227,287	-	227,287	-
Other capital assets:				
Buildings	3,018,830	8,384,008	-	11,402,838
Improvements other than buildings	4,549,310	35,072	-	4,584,382
Equipment, furniture and fixtures	969,771	80,549	14,141	1,036,179
Totals	<u>8,765,198</u>	<u>8,682,586</u>	<u>241,428</u>	<u>17,206,356</u>
Less accumulated depreciation				
Buildings	1,929,611	6,580,201	-	8,509,812
Improvements other than buildings	1,342,044	134,137	-	1,476,181
Equipment, furniture and fixtures	657,852	92,930	12,419	738,363
Total accumulated depreciation	<u>3,929,507</u>	<u>6,807,268</u>	<u>12,419</u>	<u>10,724,356</u>
Governmental activities, capital assets, net	<u>\$ 4,835,691</u>	<u>\$ 1,875,318</u>	<u>\$ 229,009</u>	<u>\$ 6,482,000</u>
Business-type activities:				
Capital assets not being depreciated:				
Land - sewer system	\$ 40,372	\$ 500	\$ -	\$ 40,872
Construction in progress	-	228,673	-	228,673
Other capital assets:				
Water system	4,356,255	359,775	-	4,716,030
Sewer system	6,714,329	-	-	6,714,329
Machinery and equipment	156,375	20,294	9,990	166,679
Totals	<u>11,267,331</u>	<u>609,242</u>	<u>9,990</u>	<u>11,866,583</u>
Less accumulated depreciation				
Water system	2,975,482	108,858	-	3,084,340
Sewer system	2,582,765	149,526	-	2,732,291
Machinery and equipment	17,058	14,240	9,990	21,308
Total accumulated depreciation	<u>5,575,305</u>	<u>272,624</u>	<u>9,990</u>	<u>5,837,939</u>
Business-type activities, capital assets, net	<u>\$ 5,692,026</u>	<u>\$ 336,618</u>	<u>\$ -</u>	<u>\$ 6,028,644</u>

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 6,531,691
Police	42,737
Fire	49,176
Highway and Streets	<u>173,674</u>
Total depreciation expense	<u>\$ 6,797,278</u>

Depreciation expense was charged to business-type activities as follows:

Water	\$ 115,440
Sewer	<u>157,183</u>
Total depreciation expense	<u>\$ 272,623</u>

(9) Accounts, Salaries, and Other Payables

The accounts, salaries, accrued interest and other payables consisted of the following at June 30, 2004:

	Governmental Activities	Business-type Activities	Total
Accounts	\$ 21,363	\$ 20,792	\$ 42,155
Accrued salaries	32,084	9,033	41,117
Accrued interest	22,628	-	22,628
Other liabilities	<u>1,010</u>	<u>38,525</u>	<u>39,535</u>
Totals	<u>\$ 77,085</u>	<u>\$ 68,350</u>	<u>\$ 145,435</u>

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (continued)

(10) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2004:

	<u>6/30/2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/2004</u>
General obligation bonds	\$ 865,000	\$ -	\$ 240,000	\$ 625,000
Certificates of indebtedness	620,000	-	540,000	80,000
Refunding	-	470,000	-	470,000
Compensated absences	5,219	14,723	5,219	14,723
Total general long-term debt	<u>\$ 1,490,219</u>	<u>\$ 484,723</u>	<u>\$ 785,219</u>	<u>\$ 1,189,723</u>

Certificates of indebtedness and general obligation bonds at June 30, 2004 are comprised of the following individual issues:

Certificates of Indebtedness

\$835,000 1999 Certificate of Indebtedness due in annual installments of \$70,000 to \$100,000 through 10/1/2009; interest at 4.25% - 5.35% per annum \$ 80,000

General Obligation Bonds:

\$850,000 1996 General Obligation Bonds due in annual installments of \$20,000 to \$70,000 through 3/1/2016; interest at 5.5% - 8% payable from the levy of a specific ad valorem tax \$ 625,000

Refunding Bonds:

\$470,000 Refunding Bonds, Series 2003 due in annual installments of \$10,000 to \$95,000 through 09/1/2009; interest at 2.5% - 3.95% per annum \$ 470,000

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (continued)

The annual requirements to amortize all long-term debt outstanding as of June 30, 2004, including interest payments of \$322,630, are as follows:

Year Ending June 30	General Obligation		Certificate of Indebtedness		Refunding Bonds		Total	
	Principle	Interest	Principle	Interest	Principle	Interest	Principle	Interest
2005	\$ 35,000	37,065	\$ 80,000	\$ -	\$ 10,000	\$ 15,410	\$ 125,000	\$ 52,475
2006	40,000	34,390	-	-	90,000	14,160	130,000	48,550
2007	40,000	32,190	-	-	90,000	11,798	130,000	43,988
2008	45,000	29,950	-	-	90,000	8,985	135,000	38,935
2009	50,000	27,385	-	-	95,000	5,581	145,000	32,966
2010-2014	280,000	91,745	-	-	95,000	1,876	375,000	93,621
2015-2017	<u>135,000</u>	<u>12,095</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>135,000</u>	<u>12,095</u>
	<u>\$ 625,000</u>	<u>\$264,820</u>	<u>\$ 80,000</u>	<u>\$ -</u>	<u>\$470,000</u>	<u>\$ 57,810</u>	<u>\$1,175,000</u>	<u>\$322,630</u>

In accordance with Louisiana Revised Statute 39:562 the City is legally restricted from incurring long-term bonded debt in excess of 25% of the assessed value of taxable property. At June 30, 2004, the statutory limit is \$4,167,814 and the outstanding bonded debt funded by ad valorem taxes, including interest, total \$889,820.

The certificates of indebtedness are collateralized by a pledge and dedication of the excess annual revenues above statutory, necessary, and usual charges in each fiscal year in which the certificates are outstanding, including the one percent (1%) sales and use tax currently being levied and collected pursuant to an election held on April 17, 1965. The authorizing resolution, adopted July 22, 1999, requires the establishment and maintenance of a sales tax bond sinking fund. Transfers to the sinking fund are required on a monthly basis and shall be sufficient in amount to pay principal and interest as the same become due.

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (continued)

(11) Employee Retirement

Eligible employees of the City participate in two multiple – employer public employee retirement systems (PERS) which are controlled and administered by two separate boards of trustees. These retirement systems provide retirement, disability and death benefits to plan members and their beneficiaries. Benefits under each system are established and amended by state statutes. Pertinent information for each system follows:

A. Municipal Employee's Retirement System

Plan members are required to contribute 9.25% of their annual covered salary to the system while the City is required to contribute at the statutory rate of 11% of the total annual covered salary. The City's contributions to the system for the years ended June 30, 2004, 2003, and 2002 were \$52,615, \$37,848, and \$35,121, respectively, equal to the required contribution for each year.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Municipal Employee's Retirement System, 79337 Office Park Blvd., Baton Rouge, LA, 70809.

B. Municipal Police Employee's Retirement System

Plan members are required to contribute 7.5% of their annual covered salary to the system while the City is required to contribute at the statutory rate of 15.25% of contributions to the system for the years ended June 30, 2004, 2003, and 2002 were \$30,298, \$26,093, and \$21,768, respectively, equal to the required contribution for each year.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Municipal Police Employee's Retirement System, P. O. Box 94095, Baton Rouge, LA 70804-9095.

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (continued)

(12) Litigation and Claims

A. At June 30, 2004, the City was a defendant in various lawsuits. The City's legal counsel has reviewed the claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the City and to arrive at an estimate, if any, of the amount or range of potential loss to the City. As a result of the review, the various claims and lawsuits have been categorized into "probable", "reasonably possible", or "remote", as defined by the Governmental Accounting Standards Board. It is the opinion of the City after conferring with legal counsel, that all claims and lawsuits may result in a liability of \$6,000 to \$48,000.

B. Grant Audits

The City receives grants for specific purposes that are subject to review and audit by governmental agencies. Such audits could result in a request for reimbursement by the grantor for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the City, such allowances, if any, will not be significant.

(13) Segment Information for the Enterprise Fund

The City of Jeanerette maintains one enterprise fund with three departments which provide garbage, water, and sewerage services. Segment information for the year ended June 30, 2004, was as follows:

	<u>Garbage Department</u>	<u>Water Department</u>	<u>Sewer Department</u>	<u>Total Enterprise Fund</u>
Operating revenues	<u>\$238,485</u>	<u>\$578,957</u>	<u>\$ 368,359</u>	<u>\$1,185,801</u>
Operating expenses:				
Depreciation	-	115,440	157,183	272,623
Other	<u>173,229</u>	<u>390,164</u>	<u>202,873</u>	<u>766,266</u>
Total operating expenses	<u>173,229</u>	<u>505,604</u>	<u>360,056</u>	<u>1,038,889</u>
Operating income (loss)	<u>\$ 65,256</u>	<u>\$ 73,353</u>	<u>\$ 8,303</u>	<u>\$ 146,912</u>

CITY OF JEANERETTE, LOUISIANA
Notes to Financial Statements (continued)

(14) Compensation of City Officials

A detail of compensation paid to elected officials for the year ended June 30, 2004 follows:

	<u>Compensation</u>	<u>Term Expires</u>
Arthur L. Verret, Mayor	\$ 6,300	June 30, 2007
Board of Aldermen:		
Rinzer Bouie, Jr.	5,100	June 30, 2007
Charles Williams, Jr.	5,100	June 30, 2007
Calvin Bodin	5,100	June 30, 2007
Kurt Myers	5,100	June 30, 2007
Ronald Courville	5,100	June 30, 2007
	\$ 31,800	

(15) Risk Management

The City is exposed to risks of loss in the areas of health care, general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

(16) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables at June 30, 2004 consisted of the following:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General fund	\$ -	\$ 3,456
Capital Project Fund		
Water Plant Project	9,536	-
Proprietary Fund	3,456	9,536
Total	\$ 12,992	\$ 12,992

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (continued)

B. Operating transfers

Transfers between funds for the year ended June 30, 2004, were:

	Transfers in	Transfers out
General Fund:		
1% Sales Tax Fund	\$ 238,000	\$ -
1/4% Sales Tax Fund (1985)	67,000	-
Bureau of Justic	-	1,700
Fire Department Grant fund	-	6,253
Utility Fund	289,000	40,000
Special Revenue Funds:		
1% Sales Tax Fund -		
General Fund	-	238,000
1999 Certificate of Indebtedness	-	104,765
1/4% Sales Tax Fund (1973)		
Utility Fund	-	125,000
1/4% Sales Tax Fund (1985)-		
General Fund	-	67,000
Bureau of Justice		
General Fund	1,700	-
Fire Department Grant fund		
General Fund	6,253	-
Debt Service Funds:		
1999 Certificate of Indebtedness		
1% Sales Tax Fund	104,765	-
Capital Projects Funds:		
Water Plant Project 2002		
Utility Fund	18,901	-
EPA Sewer Rehab		
Utility Fund	1,500	-
LCDBG Sewer System Improvements		
Utility Fund	22,350	-
Enterprise Funds:		
Utility Fund-		
General Fund	40,000	289,000
1/4% Sales Tax Fund (1973)	125,000	-
EPA Sewer Rehab	-	1,500
LCDBG Sewer System Improvements	-	22,350
Water Plant Project 2002	-	18,901
Total	<u>\$914,469</u>	<u>\$ 914,469</u>

CITY OF JEANERETTE, LOUISIANA

Notes to Financial Statements (continued)

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(17) Expenditures in Excess of Appropriations

The following funds had revenues deficient of budgeted appropriations:

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
General Fund	11,191,585	9,632,184	(1,559,401)
Special Revenue Funds - Section 8 Housing	151,488	136,819	(14,669)

(18) Prior Period Adjustment

The City reported the construction in progress in the governmental activities statement of net assets for fiscal year end June 30, 2003. The project was completed during the current fiscal year and was capitalized in the proprietary fund. Therefore, an adjustment decreased net assets for the governmental activities at July 1, 2003, by \$227,287.

**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF JEANERETTE, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2004

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes	\$ 422,738	\$ 392,461	\$ 364,610	\$ (27,851)
Licenses and permits	166,300	167,900	175,890	7,990
Intergovernmental	235,112	252,521	250,453	(2,068)
Fines and forfeits	17,900	17,830	18,564	734
Miscellaneous	<u>48,263</u>	<u>10,360,873</u>	<u>8,822,667</u>	<u>(1,538,206)</u>
Total revenues	<u>890,313</u>	<u>11,191,585</u>	<u>9,632,184</u>	<u>(1,559,401)</u>
Expenditures:				
General government:	547,517	616,619	635,062	(18,443)
Public safety:				
Police	498,422	410,003	432,415	(22,412)
Fire	46,142	37,025	35,424	1,601
Highways and streets	312,495	378,992	385,146	(6,154)
Capital outlay	<u>16,000</u>	<u>10,154,272</u>	<u>8,614,820</u>	<u>1,539,452</u>
Total expenditures	<u>1,420,576</u>	<u>11,596,911</u>	<u>10,102,867</u>	<u>1,494,044</u>
Deficiency of revenues over expenditures	<u>(530,263)</u>	<u>(405,326)</u>	<u>(470,683)</u>	<u>(65,357)</u>
Other financing sources:				
Operating Transfers in	675,000	600,000	594,000	(6,000)
Operating Transfers out	<u>(10,001)</u>	<u>(47,953)</u>	<u>(47,953)</u>	<u>-</u>
Total other financing sources	<u>664,999</u>	<u>552,047</u>	<u>546,047</u>	<u>(6,000)</u>
Net changes in fund balances	134,736	146,721	75,364	(71,357)
Fund balance, beginning	<u>891,634</u>	<u>891,634</u>	<u>891,634</u>	<u>-</u>
Fund balance, ending	<u>\$1,026,370</u>	<u>\$1,038,355</u>	<u>\$ 966,998</u>	<u>\$ (71,357)</u>

CITY OF JEANERETTE, LOUISIANA
Section 8 Housing Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2004

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 141,534	\$ 151,338	\$ 136,695	\$ (14,643)
Miscellaneous - interest	150	150	124	(26)
Total revenues	<u>141,684</u>	<u>151,488</u>	<u>136,819</u>	<u>(14,669)</u>
Expenditures:				
Urban development and housing	<u>141,684</u>	<u>141,588</u>	<u>136,819</u>	<u>4,769</u>
Total expenditures	<u>141,684</u>	<u>141,588</u>	<u>136,819</u>	<u>4,769</u>
Excess of revenues over expenditures	-	9,900	-	(9,900)
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ 9,900</u>	<u>\$ -</u>	<u>\$ (9,900)</u>

**OTHER
SUPPLEMENTARY INFORMATION**

CITY OF JEANERETTE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2004

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Taxes:				
Ad valorem	\$ 183,738	\$ 165,000	\$ 145,530	\$ (19,470)
Cleco Signing Agreement	-	-	-	-
Franchise -				
Electric	120,000	128,000	122,279	(5,721)
Natural gas	30,000	25,000	20,638	(4,362)
Cable TV	42,000	37,000	38,702	1,702
Telephone	47,000	37,461	37,461	-
Total taxes	<u>422,738</u>	<u>392,461</u>	<u>364,610</u>	<u>(27,851)</u>
Licenses and permits:				
Occupational licenses	158,000	158,000	165,648	7,648
Building permits	2,500	3,000	3,517	517
Electrical permits	2,000	1,700	1,710	10
Plumbing permits	2,000	3,400	3,355	(45)
Moving permits	1,300	1,300	1,110	(190)
Air conditioner permits	500	500	550	50
Total licenses and permits	<u>166,300</u>	<u>167,900</u>	<u>175,890</u>	<u>7,990</u>
Intergovernmental:				
Federal grants -				
Safe and Sober Campaign	1,200	1,200	793	(407)
State of Louisiana -				
Department of Revenue and Taxation:				
Beer taxes	10,050	10,050	8,165	(1,885)
Department of Transportation:				
Grass cutting	5,200	5,200	5,112	(88)
Office of Rural Development	16,000	31,000	31,000	-
Iberia Parish -				
Police Pay Supp - Sheriff	40,800	30,594	30,594	-
Marshalls' Salary Refund	11,762	11,762	10,782	(980)
Deputy Clerk Salary Refund	66,100	66,100	66,000	(100)
Mosquito Control	70,000	78,118	78,118	-
Fire Protection	14,000	18,497	19,889	1,392
Total intergovernmental	<u>235,112</u>	<u>252,521</u>	<u>250,453</u>	<u>(2,068)</u>

(continued)

CITY OF JEANERETTE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues (continued)
For the Year Ended June 30, 2004

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fines and forfeits:				
Fines and forfeits	\$ 17,900	\$ 17,830	\$ 18,564	\$ 734
	<u>\$ 17,900</u>	<u>\$ 17,830</u>	<u>\$ 18,564</u>	<u>\$ 734</u>
Miscellaneous:				
Interest	10,376	9,200	9,576	376
Police Accident reports	1,200	1,200	1,085	(115)
Bonding Fees - Police Department	1,800	1,800	1,257	(543)
Sales of Capital Assets	2,000	-	609	609
Donation	2,000	10,109,770	8,567,965	(1,541,805)
Martin Mills Lease	14,500	225,000	225,000	-
Hud Section 8 Reimbursements	2,400	2,400	2,400	-
Other sources	13,987	11,503	14,775	3,272
Total miscellaneous	<u>48,263</u>	<u>10,360,873</u>	<u>8,822,667</u>	<u>(1,538,206)</u>
 Total revenues	 <u>\$890,313</u>	 <u>\$11,191,585</u>	 <u>\$9,632,184</u>	 <u>\$ (1,559,401)</u>

(continued)

CITY OF JEANERETTE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2004

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
GENERAL GOVERNMENT -				
Salaries-administrative	\$ 189,400	\$ 194,694	\$ 194,197	\$ 497
Salaries-executive	25,500	25,500	25,500	-
Legal and professional	28,000	37,972	39,595	(1,623)
Accounting and auditing fees	45,000	35,250	36,536	(1,286)
Insurance	171,169	221,529	222,446	(917)
Retirement	22,375	14,349	24,971	(10,622)
Application fee	-	10,847	11,263	(416)
Telephone	5,100	5,510	5,344	166
Utilities	7,752	7,952	8,529	(577)
Drug testing expense	2,020	3,145	2,098	1,047
Inspection fees	5,200	6,500	6,760	(260)
Office supplies and expenses	25,550	34,020	35,880	(1,860)
Payroll taxes	3,301	5,562	5,346	216
Pest control	600	600	600	-
Recordation and cancellation	500	2,000	3,205	(1,205)
Repairs and maintenance	5,650	5,650	5,727	(77)
Membership dues	1,400	2,131	2,131	-
Meetings & conventions	4,000	3,408	3,643	(235)
Miscellaneous	5,000	-	1,291	(1,291)
<i>Total general government</i>	<u>547,517</u>	<u>616,619</u>	<u>635,062</u>	<u>(18,443)</u>

(continued)

CITY OF JEANERETTE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (continued)
For the Year Ended June 30, 2004

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Public safety:				
Police -				
Salaries	358,796	298,000	317,712	(19,712)
Payroll taxes and employee benefits	5,636	5,636	5,208	428
Insurance	26,112	21,992	25,171	(3,179)
Retirement	56,128	29,500	31,663	(2,163)
Prisoner expenditures	3,000	3,900	3,626	274
Repairs and maintenance	2,500	2,500	3,107	(607)
Auto expense	24,500	25,000	24,155	845
Juvenile detention	500	-	-	-
Utilities and telephone	11,400	12,300	11,844	456
Uniforms	4,400	5,600	5,664	(64)
Office supplies	4,400	4,525	4,260	265
Miscellaneous	1,050	1,050	5	1,045
Total police	<u>498,422</u>	<u>410,003</u>	<u>432,415</u>	<u>(22,412)</u>
Fire -				
Salaries	19,200	13,000	11,485	1,515
Payroll taxes and employee benefits	1,507	1,013	847	166
Insurance	13,125	10,237	10,269	(32)
Fire truck maintenance and repairs	4,050	4,890	5,481	(591)
Maintenance of fire station and equipment	900	1,375	1,022	353
Utilities and telephone	4,800	4,200	3,992	208
Uniforms and supplies	500	250	252	(2)
Training	2,000	2,000	2,031	(31)
Miscellaneous	60	60	45	15
Total fire	<u>46,142</u>	<u>37,025</u>	<u>35,424</u>	<u>1,601</u>

(continued)

CITY OF JEANERETTE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (continued)
For the Year Ended June 30, 2004

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Highways and streets:				
Salaries	165,206	188,808	197,439	(8,631)
Payroll taxes and employee benefits	2,766	3,122	2,266	856
Retirement	18,073	16,442	15,275	1,167
Auto repairs and maintenance	14,100	22,200	25,136	(2,936)
Equipment maintenance	4,400	5,925	5,481	444
Equipment rental	1,000	1,000	1,581	(581)
Gradall maintenance	800	13,427	13,777	(350)
Materials, gravel and hauling	9,500	9,500	9,543	(43)
Insurance	20,400	30,075	29,900	175
Paint and signs	300	1,145	1,184	(39)
Parish trustee meals	3,000	2,100	2,083	17
Building repairs and maintenance	1,000	1,810	2,117	(307)
Tool and equipment	900	1,700	4,764	(3,064)
Utilities and repair	21,300	27,988	25,325	2,663
Miscellaneous	750	250	294	(44)
Street lighting	49,000	53,500	48,981	4,519
Total highways and streets	<u>312,495</u>	<u>378,992</u>	<u>385,146</u>	<u>(6,154)</u>
Capital outlay:				
General government -				
Buildings	-	9,764,782	8,384,008	1,380,774
Improvements other than buildings	16,000	34,802	34,802	-
Land	-	343,988	182,957	161,031
Office fixtures and equipment	-	1,100	-	1,100
Highways and Streets	-	9,600	13,053	(3,453)
Total capital outlay	<u>16,000</u>	<u>10,154,272</u>	<u>8,614,820</u>	<u>1,539,452</u>
Total expenditures	<u>\$ 1,420,576</u>	<u>\$ 11,596,911</u>	<u>\$ 10,102,867</u>	<u>\$ 1,494,044</u>

CITY OF JEANERETTE, LOUISIANA
 Nonmajor Governmental Funds

Combining Balance Sheet
 June 30, 2004

	Special Revenue Funds											
	1973 1/4% Sales Tax Fund	1985 1/4% Sales Tax Fund	2003 1/4% Sales Tax Fund	1% Sales Tax Fund	Sugar City Litter Abatement	Summer Feeding	Bicentennial Museum	Bureau of Justice	Drug Interdiction	Commercial Revitalization	Fire Department Grant	Historic Commission
ASSETS												
Cash	\$ -	\$ -	\$ -	\$ -	\$ 210	\$ 278	\$ 5,033	\$ -	\$ 3,362	\$ 1,550	\$ 6	\$ 3,070
Interest-bearing deposits	30,687	36,693	10,708	83,651	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	9,752	9,752	9,752	49,766	-	-	-	-	-	-	-	-
Due from other governmental units	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 40,439	\$ 46,445	\$ 20,460	\$ 133,417	\$ 210	\$ 278	\$ 5,033	\$ -	\$ 3,362	\$ 1,550	\$ 6	\$ 3,070
LIABILITIES AND FUND BALANCES												
Liabilities:												
Accrued liabilities	\$ 16	\$ -	\$ -	\$ 994	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	16	-	-	994	-	-	-	-	-	-	-	-
Fund balances -												
Reserved for debt service	-	-	-	-	-	-	-	-	-	-	-	-
Reserved for capital improvements	40,423	46,445	20,460	132,423	210	278	5,033	-	3,362	1,550	6	3,070
Unreserved, undesignated	40,423	46,445	20,460	132,423	210	278	5,033	-	3,362	1,550	6	3,070
Total fund balances	40,439	46,445	20,460	133,417	210	278	5,033	-	3,362	1,550	6	3,070
Total liabilities and fund balances	\$ 40,439	\$ 46,445	\$ 20,460	\$ 133,417	\$ 210	\$ 278	\$ 5,033	\$ -	\$ 3,362	\$ 1,550	\$ 6	\$ 3,070

(continued)

CITY OF JEANERETTE, LOUISIANA
 Nonmajor Governmental Funds

Combining Balance Sheet
 June 30, 2004

	Debt Service Funds		Capital Project Funds				Total Governmental Funds	
	1996 G.O. Bonds Series A & B	1999 Certificates of Indebtedness	Water Improvements 1985 & 1991	EPA Sewer Rehab	King Joseph Pavilion Project	Water Plant Project		LCDBG Sewer System Improvements
ASSETS								
Cash	\$ -	\$ -	\$ -	\$ 1,500	\$ 8,863	\$ 7,070	\$ 13,553	\$ 44,495
Interest-bearing deposits	70,195	60,502	6,053	-	-	-	-	298,489
Investments	150,445	27,098	275,996	-	-	-	-	453,539
Due from other funds	-	-	-	-	-	9,536	-	9,536
Due from other governmental units	-	-	-	-	-	-	31,738	110,760
Total assets	\$ 220,640	\$ 87,600	\$ 282,049	\$ 1,500	\$ 8,863	\$ 16,606	\$ 45,291	\$ 916,819
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,010
Total liabilities								1,010
Fund balances -								
Reserved for debt service	220,640	87,600	282,049	-	-	-	-	590,289
Reserved for capital improvements	-	-	-	1,500	8,863	16,606	45,291	72,260
Unreserved, undesignated	-	-	-	-	-	-	-	253,260
Total fund balances	220,640	87,600	282,049	1,500	8,863	16,606	45,291	915,809
Total liabilities and fund balances	\$ 220,640	\$ 87,600	\$ 282,049	\$ 1,500	\$ 8,863	\$ 16,606	\$ 45,291	\$ 916,819

CITY OF JEANERETTE, LOUISIANA
 Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2004

	Special Revenue Funds												
	1973 1/4% Sales Tax Fund	1985 1/4% Sales Tax Fund	2003 1/4% Sales Tax Fund	1% Sales Tax Fund	Sugar City Litter Abatement	Summer Feeding	Law Enforcement	Bicentennial Museum	Bureau of Justice	Drug Interdiction	Commercial Revaluation	Fire Department Grant	Historic Commission
Revenues:													
Taxes	\$ 98,123	\$ 98,123	\$ 20,460	\$ 403,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	640	256	-	223	-	-	-	-	10,989	-	-	56,281	-
Total revenues	98,763	98,379	20,460	403,473	-	-	-	-	10,989	-	-	56,281	-
Expenditures:													
General Government	7	-	-	27,873	-	-	-	5,147	3,716	2,881	-	18,564	-
Capital outlay	-	-	-	-	-	-	-	-	10,970	2,571	-	43,964	-
Principle retirement	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	7	-	-	27,873	-	-	-	5,147	14,686	5,452	-	62,528	-
Excess (deficiency) of revenues over expenditures	98,756	98,379	20,460	375,600	-	-	-	4,978	(3,697)	(5,452)	-	(6,247)	-
Other financing sources:													
Bond proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating transfers in	(125,000)	(67,000)	-	(342,765)	-	-	-	-	1,700	-	-	6,253	-
Operating transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources	(125,000)	(67,000)	-	(342,765)	-	-	-	-	1,700	-	-	6,253	-
Excess (deficiency) of revenues and other sources over expenditures	(26,244)	31,379	20,460	32,835	-	-	-	4,978	(1,997)	(5,452)	-	6	-
Fund balances (deficit), beginning, as restated	66,667	15,066	-	99,588	210	278	-	55	1,997	8,814	1,550	-	3,070
Fund balances (deficit), ending	\$ 40,423	\$ 46,445	\$ 20,460	\$ 132,423	\$ 210	\$ 278	\$ -	\$ 5,033	\$ -	\$ 3,362	\$ 1,550	\$ 6	\$ 3,070

(continued)

CITY OF JEANERETTE, LOUISIANA
 Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2004

	Debt Service Funds			Capital Project Funds				Total Governmental Funds
	1996 G.O. Bonds Series A & B	1999 Certificates of Indebtedness	Waterworks Improvements 1985 & 1991	EPA Sewer Rehab	King Joseph Pavillion Project	Water Plant Project	LCDBG Sewer System Improvements	
Revenues:								
Taxes	\$ 92,921	\$ -	\$ 132,641	\$ -	\$ -	\$ -	\$ -	\$ 845,518
Intergovernmental				17,793	-	128,247	232,172	475,557
Interest	1,827	784	3,197	-	-	-	-	6,927
Total revenues	94,748	784	135,838	17,793	-	128,247	232,172	1,328,002
Expenditures:								
General Government	-	-	-	-	-	-	-	78,138
Capital outlay	-	-	-	17,793	270	130,542	210,881	416,991
Principle retirement	35,000	540,000	205,000	-	-	-	-	780,000
Interest and fiscal charges	40,765	28,259	14,164	-	-	-	-	83,188
Total Expenditures	75,765	568,259	219,164	17,793	270	130,542	210,881	1,358,317
Excess (deficiency) of revenues over expenditures	18,983	(567,475)	(83,326)	-	(270)	(2,295)	21,291	(30,315)
Other financing sources:								
Bond proceeds		470,000						470,000
Operating transfers in		104,765		1,500		18,901	22,350	155,469
Operating transfers out								(534,765)
Total other financing sources		574,765		1,500		18,901	22,350	90,704
Excess (deficiency) of revenues and other sources over expenditures	18,983	7,290	(83,326)	1,500	(270)	16,606	43,641	60,389
Fund balances (deficit), beginning, as restated	201,657	80,310	365,375	-	9,133	-	1,650	855,420
Fund balances (deficit), ending	\$ 220,640	\$ 87,600	\$ 282,049	\$ 1,500	\$ 8,863	\$ 16,606	\$ 45,291	\$ 915,809

COMPLIANCE AND INTERNAL CONTROL

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Arthur L. Verret, Mayor
and Members of the Board of Aldermen
City of Jeanerette, Louisiana

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate fund information of the City of Jeanerette, Louisiana (the City) as of and for the year ended June 30, 2004, which collectively comprise the City's basic financial statements and have issued our report thereon dated August 20, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying corrective action plan for current year findings as item 04-01.

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A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is a material weakness.

This report is intended for the information of management, others within the organization, and the Board of Aldermen and is not intended to be and should not be used by anyone other than these specified parties. However, under the provisions of Louisiana Revised Statutes 24:513 and 44:6, this report is a matter of public record and its distribution is not limited.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
August 20, 2004

CITY OF JEANERETTE, LOUISIANA

Summary Schedule of Audit Results
For the Year Ended June 30, 2004

Part I. Summary of Auditor's Results:

An unqualified opinion was issued on the financial statements.

A reportable condition in internal control was disclosed by the audit of the financial statements and the condition is considered a material weakness.

The audit did not disclose any instances of noncompliance which are material to the financial statements.

A management letter was not issued.

Part II. Findings required to be reported in accordance with generally accepted Governmental Auditing Standards:

(a) Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

CRITERIA: SAS55, Consideration of Internal Control in a Financial Statement Audit, as amended by SAS78, Consideration of Internal Control in a Financial Statement Audit: An Amendment to Statement on Auditing Standards No. 55, AU §319.06 defines internal control as follows:

“Internal control is a process – effected by an entity’s board of directors, management, and other personnel – designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (a) reliability of financial reporting, (b) effectiveness and efficiency of operations, and (c) compliance with applicable laws and regulations.

CAUSE: The cause of the conditions is the result of a failure to design and implement policies and procedures necessary to achieve adequate internal control.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

Part III. Findings and questioned costs for federal awards required to be reported in accordance with Office of Management and Budget Circular A-133:

not applicable

CITY OF JEANERETTE
Jeanerette, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2004

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partial Corrective Action Taken
Section I - Internal control and compliance material to the financial statements.				
<u>Compliance</u>				
No items were applicable to this section				
<u>Internal Control</u>				
98-13	1998 or prior	Inadequate segregation of functions exists within the accounting system.	No	See corrective action plan for current year findings

Section Ia - Other Internal control and compliance

No items were applicable to this section

CITY OF JEANERETTE
Jeanerette, Louisiana

Corrective Action Plan for Current Year Findings
For the Year Ended June 30, 2004

Ref. No.	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
Section I - Internal control and compliance material to the financial statements.				
<u>Compliance</u>				
No items are applicable to this section.				
<u>Internal Control</u>				
04-01	Inadequate segregation of functions exists within the accounting system.	No corrective action is planned. Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	N/A	N/A
Section Ia - Other Internal control and compliance				
No items are applicable to this section.				
Section II - Management letter				
No items are applicable to this section.				